

Service Date: July 7, 1999

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER of the Application of THE)
MONTANA POWER COMPANY for Authority)
to Issue Common Shares in Connection with)
a two-for-one Stock Split.)

UTILITY DIVISION
DOCKET NO. D99.6.160
Default Order No. 6186

DEFAULT ORDER

On June 23, 1999, The Montana Power Company ("MPC") filed with the Public Service Commission its verified application, pursuant to §§ 69-3-501 through 69-3-507 of the Montana Code Annotated (1998) (MCA), seeking an Order authorizing it to issue certain common shares in connection with a stock split.

The application is supported by exhibits and data in accordance with the Commission practice and rules and regulations governing such applications by public utilities operating within the State of Montana.

The application states that MPC is a public utility, as defined in § 69-3-101, MCA in that it furnishes electric and natural gas service in the State of Montana; that MPC's principal executive office is at 40 East Broadway, Butte, Montana; and that MPC is duly qualified to do business in the states of Montana, Wyoming and Idaho. For detailed information with respect to the general character of MPC's business and the territory served by it, reference is made to the application.

Having fully considered the application and all the data and records pertaining thereto and being fully advised in the premises, the Commission makes the following:

FINDINGS OF FACT

1. MPC is a corporation organized and existing under and by virtue of the laws of the State of Montana and is qualified to transact business in the State of Montana.

2. MPC is a public utility as defined in § 69-3-101, MCA, and is engaged in furnishing electric and natural gas service in Montana.

3. The Commission has jurisdiction over the subject matter of the application under § 69-3-501, MCA.

4. The application states that the MPC's Board of Directors declared a two-for-one split of its shares of common stock on June 22, 1999. The stock split affects shares with a record date of July 16, 1999. The split will be effective on August 6, 1999.

5. No proceeds to the MPC will result from the stock split.

6. The purpose of the stock split is to allow more individuals to participate in the wealth creation of the Company and to enhance the liquidity of the MPC's shares of common stock in trading on the New York and Pacific Stock Exchanges.

7. The number of shares authorized for issuance pursuant to this Order is 55,099,015, plus such number of shares as shall be required to match the number of shares issued prior to July 16, 1999 pursuant to the various plans of the MPC is estimated to be and will not exceed 55,306,000 additional shares.

8. Public notice of this application was given by its inclusion on the Commission's agenda for June 28, 1999.

9. MPC furnished complete financial data with its application, in accordance with developed practice of the Commission. The application contains a certified copy of the appropriate corporate resolution pertaining hereto.

CONCLUSION OF LAW

The stock split described in the application is for a lawful purpose and is consistent with the public interest.

ORDER

1. The application of The MONTANA POWER COMPANY for authority to issue shares of common stock in connection with its two-for-one stock split in the amounts stated in its application is approved.

2. In accordance with § 69-3-507, MCA, neither the issuance of securities by MPC pursuant to the provisions of this Order, nor any other act or deed done or performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee, in any manner whatsoever, any security authorized, issued, assumed or guaranteed under the provisions of §§ 69-3-501 through 69-3-507, MCA, inclusive.

3. Issuance of this Order does not mean acceptance of MPC's exhibits or other material accompanying the application for any purpose other than the issuance of this Order.

DATED IN OPEN SESSION at Helena, Montana this 6th day of July, 1999, by a vote of 5 - 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DAVE FISHER, Chairman

NANCY MCCAFFREE, Vice Chair

BOB ANDERSON, Commissioner

GARY FELAND, Commissioner

BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.